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/\*\*\*\*\*\* THIS IS A COMBINED MESSAGE \*\*\*\*\*\*\*\*\*/

SUBJECT: LATIN AMERICA BRIEF 1991.

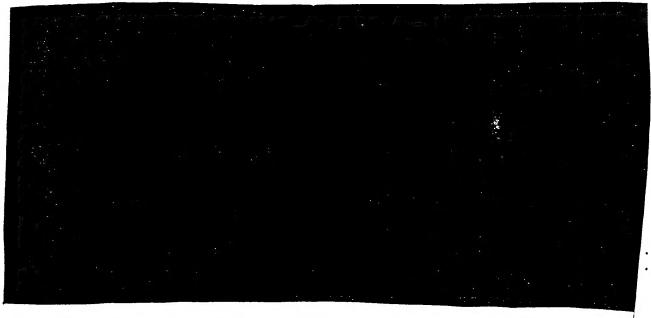


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1. IN BRIEF



2. HAITI: MILITARY REGIME FACING MOUNTING PRESSURE





THE FOREIGN MINISTERS MEETING AT THE OAS ON WEDNESDAY MADE CLEAR THAT INTERNATIONAL PRESSURE WILL CONTINUE UNTIL ARISTIDE IS REINSTATED.

MAJORITY OF HAITIAN SULDIERS BELIEVE THAT THEIR LIVES WOULD BE JEOPARDIZED IF ARISTIDE RETURNS AND THAT HE WOULD DESTROY THE ARMY AS AN INDEPENDENT INSTITUTION.

PROSPECTS FOR A SETTLEMENT ARE FURTHER COMPLICATED BY INDICATIONS THAT ARISTIDE WILL NOT ACCEPT ANY AGREEMENT THAT ALLOWS CEDRAS OR THE REBEL TROOPS TO GO UNPUNISHED. THE PRESIDENT HAS LABELED CEDRAS A "MADMAN" AND HAS CONDEMNED THE ARMY FOR THE EXTENSIVE LOSS OF LIFE; AT LEAST 350 ARE DEAD AND MORE THAN 400 HAVE BEEN WOUNDED, ACCORDING TO PRESS REPORTS.

ARISTIDE'S CIVILIAN SUPPORTERS HAVE BEEN TEMPORARILY COWED BY THE MILITARY, BUT THEY MAY BEGIN PROTESTS SOON, ESPECIALLY AS SHORTAGES OF FOOD AND OTHER GOODS INCREASE. UNDER SUCH CIRCUMSTANCES, THE MILITARY WILL FIND IT INCREASINGLY HARD TO MAINTAIN CONTROL, AND THE PROSPECTS FOR VIOLENCE WILL RISE.

BOX

HAITI VULNERABLE TO ECONOMIC SANCTIONS

IF IMPLEMENTED FULLY, DAS ECONOMIC SANCTIONS WOULD HIT HAITI HARD BECAUSE OF ITS DEPENDENCE ON FOREIGN GOODS AND FINANCING. ACCORDING TO UN DATA, MORE THAN 20 PERCENT OF HAITI'S FOOD COMES FROM ABROAD—MUCH OF IT FROM THE US—AND THE WORLD BANK CALCULATES THAT HALF OF THE CEREAL IMPORTS ARE FINANCED BY FOREIGN DUNGRS. IMPORTS ARE CRITICAL BECAUSE NORMAL STOCKS ARE BARELY SUFFICIENT TO FEED THE POPULATION. OIL SHIPMENTS HAVE BEEN HALTED BY VENEZUELA, WHICH HAD BEEN PROVIDING ALL OF HAITI'S FUEL ON CONCESSIONARY TERMS.

/\*\*\*\*\* BEGINNING OF SECTION 002 \*\*\*\*\*/
HAITI LACKS THE HARD CURRENCY TO PURCHASE ALL THESE STAPLES
ELSEWHERE, AND CLOSURE OF US MARKETS--WHICH ABSORB 80 PERCENT OF
HAITIAN EXPORTS--ENSURES THE COUNTRY WILL NOT BE ABLE TO READILY
REPLENISH ITS FOREIGN EXCHANGE RESERVES.

THE ECONOMIC EMBARGO WOULD HAVE THE GREATEST IMPACT IN MORE DEPENDENT URBAN AREAS.

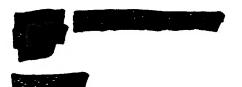
GASOLINE AND FUEL FOR POWER PLANTS COULD RUN OUT IN LESS THAN TWO OR THREE WEEKS; MOREOVER, RICE, WHEAT, AND BEANS PROBABLY WOULD GROW SCARCE WITHIN SIX WEEKS. SHORTAGES WOULD AGGRAVATE INFLATION AND COULD APPEAR MUCH MORE RAPIDLY IF LOOTING SPREADS OR THE TRANSPORTATION SYSTEM REMAINS PARALYZED. MOREOVER, FURTHER BLOWS TO THE ALREADY CRIPPLED

SECRET



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MANUFACTURING SECTOR, MUCH OF IT US OWNED, WOULD EXACERBATE URBAN UNEMPLOYMENT. MOST OF THE 70 PERCENT OF HAITIANS LIVING ON RURAL LANDHOLDINGS GROW FOOD, AND SOME COULD EVEN PROFIT AS SHORTAGES RAISE PRICES FOR THEIR PRODUCTS.



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